

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF HAWAII

In the Matter of

PUBLIC UTILITIES COMMISSION

Instituting a Proceeding to Investigate the
Implementation Of Feed-in Tariffs.

DOCKET NO. 2008-0273

PUBLIC UTILITIES
COMMISSION

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**BLUE PLANET FOUNDATION'S COMMENTS ON
INDEPENDENT OBSERVER LIST**

AND

CERTIFICATE OF SERVICE

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Blue Planet Foundation ("Blue Planet"), by and through its attorneys Schlack Ito Lockwood Piper & Elkind, hereby submits its comments on the Independent Observer list as follows.

I. DISCUSSION

The Commission's September 25, 2009 Decision and Order in this matter requires an "independent third party," modeled on the Independent Observer in the Commission's Competitive Bidding Framework,¹ to oversee the queuing process for feed-in tariff ("FIT") projects, assist in developing the queuing process, inform parties of the queue length and their status in it, and monitor how the utility administers the queue. *See* Decision and Order at 93. The Commission's October 29, 2009 Order Setting Schedule accordingly directs the filing of an Independent Observer qualified candidate list, and on November 13, 2009, the Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited (collectively, "HECO Companies") filed their list of candidates for Independent Observer ("Independent Observer list"). The Independent Observer list identifies five candidates for the Independent Observer position (collectively, "proposed candidates").

¹ *See* Docket No. 03-0372, Decision and Order No. 23121 (Dec. 11, 2006).

A. Blue Planet Has No Objection to the Proposed Candidates.

Blue Planet has no objection to the proposed candidates or specific comments on the suitability and professional qualifications of the candidates, each of whom generally appears to be qualified for the position of Independent Observer.

B. Queuing and Interconnection Procedures for All Renewable Energy Procurement Mechanisms Must Be Highly Coordinated and Integrated and the Independent Observer Should be Selected Accordingly.

Blue Planet favors selection of the proposed candidate that, among other criteria, is the best qualified and most capable of coordinating and integrating the queuing and interconnection procedures developed in this proceeding (“FIT Q&I procedures”) with queuing and interconnection procedures employed in other renewable energy procurement mechanisms, including Net Energy Metering, competitive bidding, negotiated power purchase agreements, Schedule Q, and avoided cost offerings (collectively, “non-FIT Q&I procedures”). *See* Decision and Order at 17-29. The Decision and Order states that the Independent Observer is to “oversee the queuing process for FIT projects.” *Id.* at 93 (emphasis added).

Although the FIT Q&I procedures are properly focused on FIT projects, Blue Planet submits that the FIT Q&I procedures must be coordinated and integrated to a high degree with any and all non-FIT Q&I procedures. Essentially, unified Q&I procedures across all renewable energy procurement mechanisms are necessary and appropriate as a practical matter and as matter of fairness. As a practical matter, assuming safety and reliability considerations limit the amount of intermittent energy the HECO Companies’ grids are capable of utilizing, the FIT Q&I procedures must be coordinated and integrated with the non-FIT Q&I procedures to ensure grid safety and reliability considerations are addressed.

As a matter of fairness, all Q&I procedures must be coordinated and integrated to ensure the individual and collective success of the various procurement mechanisms.

Transparency is critical to the success of these mechanisms. Developers must have access to detailed, timely and accurate information about Q&I procedures across the various procurement mechanisms. The absence of such information may lead to “gaming” in the implementation of the Q&I procedures, increased development costs due to uncertainty, and the procurement of less renewable energy through both FIT and non-FIT mechanisms.

For these reasons, all Q&I procedures must be highly coordinated and integrated if not formally unified, and Blue Planet accordingly favors selection of the proposed candidate(s) most qualified and capable of designing, developing and overseeing FIT Q&I procedures that successfully address this fundamental concern.

C. Blue Planet Supports HDA’s Proposal Concerning Use of a Hawaii Consultant for FIT Q&I Oversight, Monitoring and Reporting.

In its Comments on the Independent Observer List dated November 16, 2009, Haiku Design & Analysis (“HDA”) suggests the role of the Independent Observer involves two phases: development of a queuing process followed by an “extended, long-term oversight, monitoring and reporting function.” *Id.* at 3. HDA suggests services for the latter function may be most effectively and economically provided by an entity located in Hawaii. Blue Planet agrees that oversight, monitoring and reporting functions may be provided more cost-effectively by an entity located in Hawaii with expertise in Hawaii energy policy and regulatory matters, and therefore supports HDA’s proposal in this regard.

DATED: Honolulu, Hawaii, November 18, 2009.


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this date a copy of the foregoing document was
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